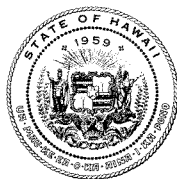


BENJAMIN J. CAYETANO
GOVERNOR



NEAL MIYAHIRA
DIRECTOR

WAYNE H. KIMURA
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII PUBLIC EMPLOYEES HEALTH FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

January 11, 2000

FINANCE MEMORANDUM

MEMO NO. 00-02

TO: All Department Heads

FROM: Neal Miyahira *Neal Miyahira*
Director of Finance

SUBJECT: Ceded Lands Payments to Office of Hawaiian Affairs

This memorandum is a reminder to departments of the directions contained in the Director of Finance's July 20, 1999, memorandum relating to Ceded Lands Payments to Office of Hawaiian Affairs (OHA). Beginning July 1, 1999, the amounts of income and proceeds derived from the public land trust that are to be transferred to OHA for purposes of Article XII, Section 6 of the State Constitution, were again to be determined pursuant to Section 10-13.5, HRS. Section 10-13.5 specifies that 20 percent of all "revenue" derived from the public land trust be transferred to OHA. Section 10-2, HRS, defines "revenue" essentially as all moneys received from activities upon or the actual use of public land trust land that are received from non-sovereign functions.

It is the responsibility of all departments to comply with the statutes and transfer ceded land revenues to OHA correctly. Departments should confirm the ceded and non-ceded status of the lands they use and consult with the Department of Land and Natural Resources if necessary. Departments should also confirm that moneys transferred to OHA are from non-sovereign functions, and consult with the Department of the Attorney General if necessary.

As stated in the Director of Finance's July 20, 1999, memorandum, such moneys should be transferred to OHA within ten days after the end of the quarter in which the money was received. The next transfer for this fiscal year will be due no later than January 10, 2000. Departments not receiving any ceded land revenues during the previous quarter are reminded to submit a negative report using the attached transmittal form.

Moneys should be transferred to OHA by the following procedure:

1. Moneys should be transferred by journal voucher to OHA, Account No. T-2000-901-Z1, within ten days after the end of the quarter in which the revenue is received.
2. Transaction codes 802 for OHA and 801 for your department should be used.
3. Under the "Explanation" section of the journal voucher, note that the transfer is "to record transfer of revenues to the Office of Hawaiian Affairs per Section 10-13.5, HRS."
4. A copy of each journal voucher should be sent to OHA.
5. The attached transmittal format is to be used by each department to report quarterly transfers to the Department of Budget and Finance. Attach copies of all journal vouchers from all department programs. Reports should be submitted no later than 15 days after the end of each quarter.

Please take the necessary action to ensure that ceded land revenues are correctly transferred to OHA on a timely basis. Thank you for your attention to this matter.

Attachment

c: Trustee Clayton Hee

TRANSMITTAL

DATE: _____

TO: Mr. James Nakamura, Administrator
Budget, Program Planning and Management Division
Department of Budget and Finance

FROM: _____

SUBJECT: Ceded Land Revenue Payments to Office of Hawaiian
Affairs

- () No Ceded Land revenues were received by this
department during the quarter ended _____.
- () A total of _____ journal vouchers are attached
showing transfers of \$_____ to Office of
Hawaiian Affairs for the quarter ended _____.

If there are questions, please call _____

at _____.